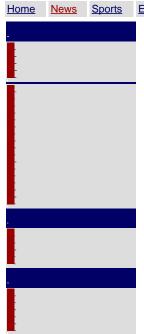
Marketplace

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# Island is sold; trade awaits

Money Features

Oakland developer still hoping for land swap

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#### BY DAVE SCROPPO

FREE PRESS SPECIAL WRITER

For a bargain price, a Bloomfield Hills developer has sold to the state North Fox Island's 836 rugged acres off the northern coastline of Lake Michigan, the state announced Thursday. But will Michigan return the favor by giving him a land swap on a neighboring island?





David Johnson, developer of the upscale Turtle Lake in Bloomfield Hills and Bay Harbor south of Petoskey, has tried unsuccessfully to trade North Fox to the state for nearby South Fox for several years. With North Fox to be purchased for \$2.2 million, when Johnson and the state say it is worth more than \$10 million, the developer said he wants to proceed with a land swap that would give him control of the southern two-thirds of South Fox Island.

In a news release issued by the state, the North Fox Island transaction is called a donation with the state paying only for Johnson's legal and closing expenses to transfer the island. The release did not mention the ongoing negotiations for South Fox Island.

Mindy Koch, land and mineral services chief for the Michigan Department of Natural Resources, said of North Fox Island: "It's a beautiful, pristine area ...heavily forested and not inhabited. We want to keep those characteristics as best we can." State tax form glitch stops the presses

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The shoreline is rocky and difficult for boaters to approach.

On South Fox Island, the state would get a slight net acreage gain if a swap proceeds. Critics say the proposed exchange would compromise habitat for endangered species, including piping plovers and Pitchers thistle, and hinder access to the island for boaters and hunters. The state also would lose about a mile of shoreline. The land most at issue is the 115 acres at the southern tip, which includes a lighthouse, a boat-landing beach and a harbor on the east side of the tip.

"It's not in the benefit of the state," said Don Inman, a former deputy director of the Department of Natural Resources and spokesman of a 100-member environmental group called the Michigan Resource Stewards. "What would the state get? Nothing. This makes no sense whatsoever."

One problem now is that the land is a checkerboard of blocks of land owned by Johnson and the state. The swap would involve a total of about 600 acres on each side, giving Johnson -- roughly -- the southern two-thirds of the island and the state the northern one-third.

Johnson said he would cooperate with the U.S. Fish and Wildlife Service to protect critical habitat for endangered species, build only a larger single home for himself (he now has a cabin on the island), improve the airstrip and restore the lighthouse, which dates to 1867.

"I don't have a burning desire to spend hundreds of thousands of dollars restoring the lighthouse, but it's something I've agreed to do in the process, and I don't like being painted as the bad guy," Johnson said.

"It's abundantly clear that patchwork ownership is illogical. If I wanted to develop it, I've got 2,200 acres, miles of shoreline, and it's twice the size of Bay Harbor; I could have already done it. So we don't have any enhancement of development opportunity with the exchange."

Before the state can give the swap the go-ahead,

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it must be approved by the U.S. Fish and Wildlife Service. The federal agency oversees critical habitat under the Endangered Species Act.

"There's no question that the Endangered Species Act is a strong concern for us," said William Hartwick, director of the eight-state U.S. Fish and Wildlife Service office in Minneapolis.

Habitat for the endangered piping plover, of which there are 200 nesting pairs in Michigan, is a sticking point in the trade, but federal biologist Mike DeCapita said the habitat on the southern end of the island is "iffy" for the birds. People walking along the shoreline threaten the eggs that are laid among the stones and cobble on the beach.

"Right now, in the negotiation stage, everything looks fine to me," DeCapita said.

In addition to these issues, the Grand Traverse Band of Ottawa and Chippewa Indians and a group of hunters oppose the trade because it eliminates the safest access to the island where native Indian commercial anglers seek shelter.

"If there's bad wind or a storm, the south tip of South Fox is the safest place for them to be," said Brian Upton, an attorney for the Grand Traverse Band.

Johnson disagrees.

"There is no safe harbor on South Fox," he said.
"To me, 1,100 acres of contiguous shoreline and land usage and the elimination of the well-documented trespassing problems will enhance public recreation and usage of the land in general."

The Grand Traverse Band also objects because of outstanding land claims dating to the late 1800s. Upton said it is not known whether the federal government obtained proper consent from the heirs before selling the land to private interests.

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The Associated Press contributed to this story. Dave Scroppo is a free-lance writer based in Traverse City. This story was edited by **BOB CAMPBELL.** Contact him at 313-223-4549 or campbell@freepress.com.

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